



**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

Office of the Comptroller
Scott B. Manske, Comptroller

DATE : October 10, 2014

TO : Supervisor Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott B. Manske, Comptroller

SUBJECT : Changes to the General Resolution Authorizing the Issuance of Airport Revenue Bonds

REQUEST

The Office of the Comptroller is requesting approval of the attached resolution that amends Section 7.8 of the General Resolution Authorizing the Issuance of Airport Revenue Bonds (General Resolution) as follows:

- Change the time period for submitting the County's audited financial statements (Comprehensive Annual Financial Report) from 180 days to 270 days. This will ease the burden of compliance and make the deadline for filing the audited financial statements with the Trustee consistent with the filing deadline for the County's continuing disclosure reports.
- Clarify the nature of the statement required to be provided by the Auditor and the extent of the review the Auditor is required to undertake to provide the statement by limiting the review to the information customarily reviewed in the course of examining the books and accounts relating to the Airport System.

BACKGROUND

On June 22, 2000, the County Board of Supervisors adopted the General Resolution that included Section 7.8 that requires the County to keep proper books and accounts relating to the Airport System, to cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants (the "Auditor") and to have the Auditor state whether in the course of its examination any default by the County came to the attention of the Auditor. The nature of the statement required to be provided by the Auditor and the extent of the review the Auditor is required to undertake to provide the statement is unclear.

In addition, Section 7.8 of the General Resolution also provides that the County file its audited financial statements within 180 days, or approximately June 30th. Since the audited statements are not required to be transmitted to the State of Wisconsin until July 31, this earlier deadline is often difficult to achieve.

U.S. Bank National Association (U.S. Bank) is the Trustee for the County's Airport Bonds and

therefore is authorized to enforce the General Resolution. As Trustee, U.S. Bank has concluded, based on the information provided to it as to the effect of the proposed change and the related certificate provided to it by the County, that the proposed change to the deadline for filing the County's audited financial statements will not have a material adverse impact on the Bondowners, and concurs with both of the changes to the General Resolution described above.

Public Financial Management, the County's Financial Advisor has provided in writing that the proposed change to the submittal date for the audited financials to 270 days does not negatively affect the owners of the County's outstanding GARBs. (See Attachment A: Letter to U.S. National Bank and Milwaukee County from Public Financial Management). Quarles & Brady LLP, as the County's bond counsel, will also provide the Trustee with an opinion with respect to the change in the nature of the Auditor's certification, which opinion will be in the form attached. (See Attachment B – Opinion of Quarles & Brady LLP, Bond Counsel, Milwaukee County).

REQUESTED CHANGES

Section 9.1(iii)1 of the General Resolution permits the County from time to time, without the consent of any Bondowner, to adopt a Supplemental Resolution to cure or correct any ambiguity, defect or inconsistency in the General Resolution. The Office of the Comptroller has submitted the attached resolution to amend Section 7.8 as follows:

Section 7.8 Books of Account, Annual Audit. The County shall keep proper books and accounts relating to the Airport System and shall cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants, and within ~~one hundred eighty (180)~~ two hundred seventy (270) days after the end of each Fiscal Year, the County shall file such audited financial statement with the Trustee. In addition to other matters required by law or sound accounting or auditing practice, the financial statement shall cover the transactions in the funds and accounts held by the Trustee or County under this Resolution. The report of the auditor shall state whether, in the course of examining the books and accounts relating to the Airport System which it would customarily examine in the course of preparing the audited financial statement required by this Section, there has come to the attention of the auditor ~~in the course of its examination~~ any default by the County with respect to the Resolution or the Bonds and, if so, the nature of the default.

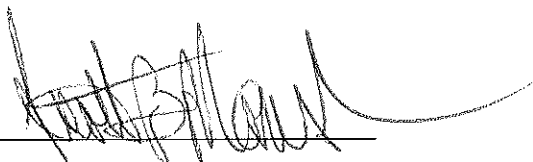
RECOMMENDATION

The Office of the Comptroller recommends approval of the attached resolution that amends Section 7.8 of the General Resolution Authorizing the Issuance of Airport Revenue Bonds (General Resolution) as follows:

- Change the time period for submitting the County's audited financial statements (Comprehensive Annual Financial Report) from 180 days to 270 days. This will ease the burden of compliance and make the deadline for filing the audited financial statements with the Trustee consistent with the filing deadline for the County's continuing disclosure reports.

- Clarify the nature of the statement required to be provided by the Auditor and the extent of the review the Auditor is required to undertake to provide the statement by limiting the review to the information in the course of examining the books and accounts relating to the Airport System.

The attached Supplemental Resolution shall be effective upon its adoption by the County Board and the written concurrence of the Trustee (as required by Section 9.1 of the General Resolution). Except as specifically amended by the terms of this Supplemental Resolution, the General Resolution shall remain in full force and effect.



Scott B. Manske
Comptroller

pc: Chris Abele, County Executive
Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Audit and Personnel
Supervisor David Cullen, Co-Chair, Committee on Finance, Audit and Personnel
Rex Queen, Deputy Treasurer, Office of the Treasurer
Don Tyler, Director, Department of Administrative Services
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Vince Masterson, Department of Administrative Services
Stephen Cady, Office of the Comptroller
Justin Rodriguez, Office of the Comptroller
Brian Lanser, Quarles and Brady
Bridgette Keating, Quarles and Brady
Lafayette Crump, Crump Law Firm LLC
David Anderson, Public Financial Management
Yvonne Siira, US Bank National Association